



COUNTY BOARD STAFF/FINANCE COMMITTEES
Minutes – June 19, 2017

Call to Order. County Board Staff Committee Chair Podzilni called the joint meeting of the County Board Staff Committee and Finance Committee to order at 8:03 A.M. in the Classroom at Rock Haven.

Committee Members Present: County Board Staff Committee - Supervisors Podzilni, Kraft, Bussie, Sweeney, Thomas, Arnold, Mawhinney and Peer. Finance Committee – Supervisors Beaver, Fox, Kraft, Mawhinney and Podzilni.

Committee Members Absent: Supervisor Brill (County Board Staff).

Staff Members Present: Josh Smith, County Administrator; Randy Terronez and Nick Osborne, Assistants to the County Administrator; Marie-Noel Sandoval, Public Health Officer; Sue Prostko, Nursing Home Administrator; and Joanne Foss, Controller.

Others Present: None.

Approval of Agenda. Supervisor Arnold moved approval of the agenda, second by Supervisor Peer. ADOPTED.

Citizen Participation, Communications and Announcements. None.

Approval of Minutes – June 12, 2017. Supervisor Bussie moved approval of the minutes of June 12, 2017 as presented, second by Supervisor Arnold. ADOPTED.

Review and Discussion of Preliminary 2018 Budget Projections and Program Information-Public Health Department. Ms. Sandoval handed out copies of her PowerPoint presentation. The Public Health Department has two offices staffed with 38 employees which is supported by the Board of Health.

Ms. Sandoval said the Public Health Department is responsible for improving the health and well-being of the community by: 1) preventing disease and injury 2) promoting healthy lifestyles and 3) protecting the public from health threats.

Ms. Sandoval said that some of the things the Health Department staff do are: immunizations, investigate disease, test water, seek grants, provide information to the community, and look for community partnerships.

Some milestones and achievements for the Health Department are: completed strategic planning, focusing on data, staff development, developing partnerships and strengthening current partnerships.

Ms. Sandoval said only 66% of infants in Rock County are immunized and more than 1700 school age children are not fully immunized. Rock County has a low immunization rate and the rate seems to be going down. Ms. Sandoval's PowerPoint showed Rock County School District Waiver rates for the nine school districts without school district names. The committee requested the waiver rate be provided with School District name. When Ms. Sandoval researched the waiver rates, it was found the rates fluctuated for a couple reasons: 1) school had strong exclusion policy and/or 2) the placement of the forms on enrollment tables. Some things they are doing to increase immunization rates in Rock County are: partner w/ pediatricians, working with schools to change exclusion policies, and an immunization education campaign.

Ms. Sandoval said they have an intern who has created a Cancer Prevention campaign.

Ms. Sandoval said the 2017 Obesity rankings have been published and Rock County ranks number two in Wisconsin. They are focusing on 1) nutrition and 2) increasing activity by partnering with the Rock Trail Coalition.

Rock County has a huge lead problem as 54% of homes in Rock County were built before 1960. Lead can lead to developmental effects. Some things the Health Department is doing to fight the lead problem is: 1) working with newborn families who live in older houses 2) testing children with elevated lead levels and 3) developed a "Shake It Up" lead campaign.

25% of Rock County households have unsafe nitrate levels in their drinking water. In 2016, the Health Department tested 1,596 wells for nitrates. They have acquired a Nitrate tracking grant and have formed a Nitrate work group to work on this initiative.

Ms. Sandoval said their objectives for 2018 are: 1) Data analysis (make data informed decisions/priorities) 2) evaluate staffing and programs 3) expand partnerships 4) seek grant opportunities keyed around campaigns and 5) focus on prevention.

Ms. Sandoval reviewed 2016 expenses and revenues with the committees. 2016 total revenues decreased by 11% partly due to a grant ending and decreased immunizations administered. 2016 total expenditures decreased by 8% partly due to 1) \$12,000 savings due to a requested liability insurance audit 2) added fleet car reducing travel expense 3) increased e-communication which reduced postage and 4) salary savings. 2016 Total County Share decreased by 7% or \$157,000.

Ms. Sandoval is projecting a 2018 cost to continue budget of less than what is budgeted for 2017.

Supervisor Thomas asked if the Health Department checks for lead in water. Ms. Sandoval said they collect the samples and send them out. She said the City of Janesville recently received a grant to replace some piping to fight lead in water.

The committee asked Ms. Sandoval if she had any personnel requests. Ms. Sandoval said that she included a 1.5% cost of living increase in her projected budget. Ms. Sandoval said she has minimal personnel requests that will have no budget impact. One item is that she would like to have the “Sanitarian” title changed to “Environmental Health Specialist”. The sanitarian title confuses people and the new title would modernize the name. Ms. Sandoval said she would like to add an additional “data collector” at some point and would use funds from already budgeted vacant positions.

Ms. Sandoval thanked the committee members.

Review and Discussion of Preliminary 2018 Budget Projections and Program Information-Rock Haven. Ms. Prostko handed out copies of her PowerPoint presentation and went over the history of Rock Haven, which started out as the Poor Farm and Alms House in 1854, became the Asylum in 1881, the County Hospital in 1893, County Home in 1911, and Rock Haven in 1963, with the new facility opened in May 2013.

Ms. Prostko said the levy history is:

<u>Year</u>	<u>Budgeted</u>
2010	\$5,928,076
2011	\$5,863,758
2012	\$5,137,022
2013	\$4,437,817
2014	\$4,208,100
2015	\$4,178,181
2016	\$3,994,415
2017	\$4,062,808

Ms. Prostko said that 2016 utilities came in at a cost of: natural gas-\$9,460.54, electricity-\$200,937.73 and water & sewer utility-\$31,238.49. Rock Haven utilities were projected at cost savings with the new building, but in reality there has not been a significant cost savings. There were no assessments from the survey.

Ms. Prostko said supplemental payment calculations are 35,670 Medicaid days (based on 2016 Cost Report). Current Formulary amount per day = \$40 x 35,670. For July 1, 2016 through June 30, 2017, estimate is \$40 x 35,670 = \$1,426,800 reimbursed back from the state. Supplemental payment provided by the federal government for losses incurred on Medicaid residents. This funding applies to Government Skilled Nursing Facilities only.

Ms. Prostko said for 2018 budget planning they took into consideration: 1) in 2017 approximately 90 of our resident stays were covered by Medicaid. (we continue to try and lower this percentage as we increase private pay and Medicare); 2) Medicaid reimbursement covers about 56% of actual cost of care; 3) Rock County taxpayers cover the remaining costs; 4) Our projected Medicaid rate is \$173.87 per day. This figure varies

by the quarter; and 5) Our current projected Medicaid loss based on our private room rate is \$131.13 per day.

Ms. Prostko said the facility has an inclusive rate of private pay of \$305. She recommends that the private pay rate remain the same. This rate was increased last year from \$300. It includes personal toiletries, room and board, and medical supplies unless billable to another pay source such as ostomy and colostomy, some usage of oxygen and therapies. Intense Skilled Private Rate was increased to \$342 in 2017. This is the room rate used to bill Medicare A for post-acute care. Based on current market, she would not implement a room rate increase in 2018.

Ms. Prostko said Medicare is currently projected to have a 1.6% increase in October 2017. Medicaid is projecting a possible 2% increase by the state for the next biennium. Of the 128 certified beds, we are looking for a census mix of: (there are days of transition from discharge to admission that are lost)

Medicaid	Medicare	Private Pay	Hospice
100	12	9	3
\$173.87	Avg:\$500	\$305.00	Variable-\$250

Partnership with local Hospices has increased the need to add this as a revenue source to the case mix. We budget at 124 for bed turnover or open beds due to low hospitalization.

Case Mix Budget History:

	<u>Medicaid</u>	<u>Medicare</u>	<u>Private Pay-Variable</u>
2013	105	13	8
2014	105	14	7
2015	97	15	12
2016	97	15	12
2017	100	12	12
2018	100	12	12

Ms. Prostko said the goal is to continue controlling costs for the 2018 budget, to improve census case mix through marketing initiatives and the Admission Nurse with boots on the ground visiting perspective clients, to increase revenues by increasing our private pay and Medicare census and to seek new streams of revenue when possible.

Ms. Prostko said the Cost to Continue budget revenues are: private pay projected \$1,226,400, intergovernmental \$9,963,055, misc. general revenue \$15,000, rents and commissions \$2,500. Total revenues would be \$11,206,955 with expenses projected to be \$15,265,769 for a projected levy of \$4,058,814. This amount is \$3,994 less than 2017.

Ms. Prostko said that staffing costs in 2017 are: productive wages budgeted \$7,409,385, Overtime budgeted \$585,007. Total personnel costs of \$7,994,392. She

would project the 2018 budget to be the same adding a projected cost of living increase of 1.5%. Total cost for 2018 projected to be: \$8,114,307.

She said some new initiatives for shifting of revenues would be to look for alternative means for revenue outside of the standard nursing home care. This would be accomplished by researching if converting the license of one neighborhood to a CBRF (Community Based Residential Facility). This may have an impact of reducing cost due to less stringent licensure of the beds.

The committee discussed the census being down along with the bed tax and the benefit of banking the nursing beds. Ms. Prostko said currently they are down 10 beds and are losing \$5,000 per day. They are controlling expenses. Ms. Prostko said one of the items that affects our census is the fact that Rock Haven is a non-smoking facility. Rock County has the highest smoking rate in Wisconsin. When a resident is a smoker it creates a higher cost of care. Ms. Prostko said Rock Haven is very proud that they had no citations in 2016. If the Affordable Care Act is not repealed, there will be a new survey process starting soon. Supervisor Mawhinney asked about the energy costs. Why are we not seeing the geothermal savings? Mr. Terronez said that the gas costs are lower due to geothermal but electric is higher than what had been projected.

Ms. Prostko said the plan for Rock Haven has not waivered. The plan is to control costs while providing services to those in need within our County.

Supervisor Bussie visited Rock Haven recently. She complimented Ms. Prostko and her staff for their pleasant demeanor and smiling faces.

Ms. Prostko thanked the committees.

Future Meeting Dates:

Monday, June 26, 2017 (Sheriff's Office) for Sheriff's Office

Monday, July 10, 2017 (N-1/N-2) for Human Services Dept.

Monday, July 24, 2017 (N-1/N-2) for Public Works Dept.

Adjournment. Supervisor Arnold moved adjournment at 9:08 A.M., second by Supervisor Peer. ADOPTED.

Respectfully submitted,

Tracey VanZandt
HR Secretary

NOT OFFICIAL UNTIL APPROVED BY COMMITTEES.